WEEKLY ECONOMIC REVIEW

APRIL 8, 2005

After reaching a record-high close of over $58 (US) on Monday, oil prices fell back through most of the week. Supply concerns were lessened by positive U.S. energy inventory reports, and by OPEC discussions on further production increases. There were also indications that Saudi Arabia is concerned about the effects of record-high prices on global oil demand, and will intensify its efforts to expand production.

Canada's employment growth slowed to 4,400 in March, below market expectations for a gain of 15,000 jobs. The Alberta employment market remained strong, adding 5,300 jobs last month, and bringing gains over the past year to 33,600.

In a light week for U.S. economic releases, U.S. markets were buoyed by the decline in energy prices. The U.S. dollar gained ground on a broad basis, as currency markets focused on interest rate spreads that are increasingly favouring the U.S. dollar. The lacklustre Canadian jobs report reinforced the market view that the Bank of Canada will refrain from interest rate hikes until the second half of 2005.

Cdn Dollar (Cc/US$)

Apr 8, 2005	81.7¢
Apr 1, 2005	82.3¢
2005-06 YTD	81.9¢

WTI Oil SUS/bbl

Apr 7, 2005	$54.11
Mar 31, 2005	$55.30
2005-06 YTD	$56.06

Nymex Natural Gas CS/mcf*

May Contract

Apr 8, 2005	$8.99
Apr 1, 2005	$9.34

*estimate based on Nymex Futures Market Price

Alberta's housing sector remains healthy, with March housing starts running at an annual pace of almost 39,000, well above the level recorded in 2004 (36,270).

The outlook for Alberta's construction sector also remains exceptionally positive, as the value of Alberta building permits rose again (+1.2%) in February. At over $750 million, Alberta's building permits were up by a remarkable 42.5% from February 2004, led by a 56.9 % annual increase in the value of non-residential permits. Residential permits were up by over 36%.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Housing Starts (SAAR)[2]	**March**			
Alberta	38,900	7.5%	7.5%	-1.2%
Canada	218,500	0.3%	-12.7%	-4.8%
Building Permits ($ millions)	**February**			
Alberta	751.7	1.2%	42.5%	49.0%
Canada	5,060.7	13.5%	16.8%	12.8%
Employment	**March**	**Gain/Loss from Previous Month (#)**	**Month/Previous Year's Month (Y/Y)**	**Y/Y (% change)**
Alberta		+5,300	+33,600	1.9%
Canada		+4,400	+249,300	1.6%

Source: Statistics Canada

[1]Year-to-date 2005 compared to the same time period in 2004. For example: January-February 2005 versus January-February 2004

[2]Seasonally Adjusted at Annual Rates